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AMENDMENTS TO LB 1085

(Amendments to AM3503)

1 1. Strike section 1 and insert the following new
2 section:

3 "Section 1. Section 77-2602, Revised Statutes
4 Supplement, 2001, is amended to read:

5 77-2602. (1) Every person engaged in distributing or
6 selling cigarettes at wholesale in this state shall pay to the Tax
7 Commissioner of this state a special privilege tax. This shall be
8 in addition to all other taxes. It shall be paid prior to or at
9 the time of the sale, gift, or delivery to the retail dealer in the
10 several amounts as follows: On each package of cigarettes
11 containing not more than twenty cigarettes, ~~thirty-four~~ fifty-four
12 cents per package; and on packages containing more than twenty
13 cigarettes, the same tax as provided on packages containing not
14 more than twenty cigarettes for the first twenty cigarettes in each
15 package and a tax of one-twentieth of the tax on the first twenty
16 cigarettes on each cigarette in excess of twenty cigarettes in each
17 package. Commencing July 1, 1994, and continuing until July 1,
18 ~~2009~~ 2002, the State Treasurer shall place the equivalent of
19 twenty-one cents of such tax less three million dollars each fiscal
20 year of proceeds of such tax in the General Fund. Commencing July
21 1, 2002, and continuing until July 1, 2009, the State Treasurer
22 shall place the equivalent of thirty-nine cents of such tax less
23 three million dollars each fiscal year of proceeds of such tax in

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1 the General Fund. Commencing July 1, 2009, and continuing until
2 July 1, 2016, the State Treasurer shall place the equivalent of
3 thirty-nine cents of such tax in the General Fund. Commencing July
4 1, ~~2009~~ 2016, the State Treasurer shall place the equivalent of
5 ~~twenty-one~~ forty-one cents of such tax in the General Fund. For
6 purposes of this section, the equivalent of a specified number of
7 cents of the tax shall mean that portion of the proceeds of the tax
8 equal to the specified number divided by ~~thirty-four~~ fifty-four.
9 The State Treasurer shall distribute the remaining proceeds of such
10 tax in the following order:

11 (a) First, beginning July 1, 1980, the State Treasurer
12 shall place the equivalent of one cent of such tax in the Nebraska
13 Outdoor Recreation Development Cash Fund. For fiscal year
14 distributions occurring after FY1998-99, the distribution under
15 this subdivision shall not be less than the amount distributed
16 under this subdivision for FY1997-98. Any money needed to increase
17 the amount distributed under this subdivision to the FY1997-98
18 amount shall reduce the ~~twenty-one-cent~~ distribution to the General
19 Fund;

20 (b) Second, beginning July 1, 1993, the State Treasurer
21 shall place the equivalent of three cents of such tax in the
22 Department of Health and Human Services Finance and Support Cash
23 Fund to carry out sections 81-637 to 81-640. For fiscal year
24 distributions occurring after FY1998-99, the distribution under
25 this subdivision shall not be less than the amount distributed
26 under this subdivision for FY1997-98. Any money needed to increase
27 the amount distributed under this subdivision to the FY1997-98

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1 amount shall reduce the ~~twenty one cent~~ distribution to the General
2 Fund;

3 (c) Third, beginning July 1, 2001, and continuing until
4 July 1, 2002, the State Treasurer shall place the equivalent of
5 five cents of such tax in the Building Renewal Allocation Fund.
6 Beginning on July 1, 2002, and continuing until July 1, 2016, the
7 State Treasurer shall place the equivalent of seven cents of such
8 tax in the Building Renewal Allocation Fund. Beginning on July 1,
9 2016, and continuing until all the purposes of the Deferred
10 Building Renewal Act have been fulfilled, the State Treasurer shall
11 place the equivalent of five cents of such tax in the Building
12 Renewal Allocation Fund. The Legislature shall appropriate each
13 fiscal year all sums inuring to the fund, plus interest earnings
14 for the Task Force for Building Renewal to be used to carry out its
15 duties and to fulfill the purposes of the Deferred Building Renewal
16 Act. Unexpended balances existing at the end of each fiscal year
17 shall be, and are hereby, reappropriated. For fiscal year
18 distributions occurring after FY1998-99, the distribution under
19 this subdivision shall not be less than five-sevenths of the amount
20 distributed under this subdivision for FY1997-98. Any money needed
21 to increase the amount distributed under this subdivision to
22 five-sevenths of the FY1997-98 amount shall reduce the
23 ~~twenty one cent~~ distribution to the General Fund;

24 (d) Fourth, until July 1, 2002, and beginning July 1,
25 2016, the State Treasurer shall place the difference between the
26 equivalent of thirteen cents of such tax and the sum of the amounts
27 distributed pursuant to subdivisions (a) through (c) and (f)

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1 through (h) of this subsection in a special fund to be known as the
2 Nebraska Capital Construction Fund. Beginning July 1, 2002, and
3 continuing until July 1, 2016, the State Treasurer shall place the
4 difference between the equivalent of fifteen cents of such tax and
5 the sum of the amounts distributed pursuant to subdivisions (a)
6 through (c) and (f) through (h) of this subsection in the Nebraska
7 Capital Construction Fund;

8 (e) Fifth, beginning July 1, 1994, and continuing until
9 July 1, 2009, the State Treasurer shall place in the Municipal
10 Infrastructure Redevelopment Fund the sum of three million dollars
11 each fiscal year to carry out the Municipal Infrastructure
12 Redevelopment Fund Act. The Legislature shall appropriate the sum
13 of three million dollars each year for fiscal year 1994-95 through
14 fiscal year 2008-09;

15 (f) Sixth, beginning July 1, 2001, the State Treasurer
16 shall place the equivalent of two cents of such tax in the
17 Information Technology Infrastructure Fund;

18 (g) Seventh, beginning July 1, 2001, and continuing until
19 June 30, 2016, the State Treasurer shall place one million dollars
20 each fiscal year in the City of the Primary Class Development Fund.
21 If necessary, the State Treasurer shall reduce the distribution of
22 tax proceeds to the General Fund pursuant to this subsection by
23 such amount required to fulfill the one million dollars to be
24 distributed pursuant to this subdivision; and

25 (h) Eighth, beginning July 1, 2001, and continuing until
26 June 30, 2016, the State Treasurer shall place one million five
27 hundred thousand dollars each fiscal year in the City of the

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1 Metropolitan Class Development Fund. If necessary, the State
2 Treasurer shall reduce the distribution of tax proceeds to the
3 General Fund pursuant to this subsection by such amount required to
4 fulfill the one million five hundred thousand dollars to be
5 distributed pursuant to this subdivision.

6 (2) The Legislature hereby finds and determines that the
7 projects funded from the Municipal Infrastructure Redevelopment
8 Fund and the Building Renewal Allocation Fund are of critical
9 importance to the State of Nebraska. It is the intent of the
10 Legislature that the allocations and appropriations made by the
11 Legislature to such funds or, in the case of allocations for the
12 Municipal Infrastructure Redevelopment Fund, to the particular
13 municipality's account not be reduced until all contracts and
14 securities relating to the construction and financing of the
15 projects or portions of the projects funded from such funds or
16 accounts of such funds are completed or paid or, in the case of the
17 Municipal Infrastructure Redevelopment Fund, the earlier of such
18 date or July 1, 2009, and that until such time any reductions in
19 the cigarette tax rate made by the Legislature shall be
20 simultaneously accompanied by equivalent reductions in the amount
21 dedicated to the General Fund from cigarette tax revenue. Any
22 provision made by the Legislature for distribution of the proceeds
23 of the cigarette tax for projects or programs other than those to
24 (a) the General Fund, (b) the Nebraska Outdoor Recreation
25 Development Cash Fund, (c) the Department of Health and Human
26 Services Finance and Support Cash Fund, (d) the Municipal
27 Infrastructure Redevelopment Fund, (e) the Building Renewal

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1 Allocation Fund, (f) the Information Technology Infrastructure
2 Fund, (g) the City of the Primary Class Development Fund, and (h)
3 the City of the Metropolitan Class Development Fund shall not be
4 made a higher priority than or an equal priority to any of the
5 programs or projects specified in subdivisions (a) through (h) of
6 this subsection.".